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If you have sold or transferred all your shares in China Aluminum Cans Holdings Limited 中國鋁罐控股有限公司 (the “**Company**”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CHINA ALUMINUM CANS HOLDINGS LIMITED
中國鋁罐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6898)

PROPOSALS FOR
GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME,
ADOPTION OF NEW SHARE OPTION SCHEME,
PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A notice dated 24 April 2023 convening the AGM to be held at Room Diamond, Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Friday, 19 May 2023 at 2:00 p.m. is set out in this circular. A form of proxy for use at the AGM is enclosed herewith. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.6898hk.com).

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no less than 48 hours before the time fixed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting and any adjournment meeting if you so wish.

24 April 2023

CONTENTS

| | <i>Pages</i> |
|--|--------------|
| Definitions | 1 |
| Letter from the Board | 5 |
| 1. Introduction | 5 |
| 2. Grant of Issue Mandate, Repurchase Mandate and Extension Mandate | 6 |
| 3. Re-election of the Directors | 7 |
| 4. Termination of Existing Scheme | 8 |
| 5. Adoption of New Scheme | 8 |
| 6. Proposed Adoption of New Memorandum and Articles of Association | 16 |
| 7. Annual General Meeting and Proxy Arrangement | 16 |
| 8. Vote by Poll | 17 |
| 9. Recommendation | 17 |
| 10. Responsibility Statement | 17 |
| Appendix I — Explanatory Statement | I-1 |
| Appendix II — Details of the Retiring Directors proposed to be re-elected at the Annual General Meeting | II-1 |
| Appendix III — Principal Terms of the New Scheme | III-1 |
| Appendix IV — Proposed amendments brought about by the New Memorandum and Articles of Association | IV-1 |
| Notice of Annual General Meeting | AGM-1 |

DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise.

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| “Adoption Date” | the date of approval and adoption of the New Scheme by the Shareholders |
| “AGM” | the annual general meeting of the Company to be convened at Room Diamond, Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Friday, 19 May 2023 at 2:00 p.m. |
| “Articles” or “Articles of Association” | the articles of association of the Company currently in force |
| “Board” | the board of Directors |
| “Business Day(s)” | any day on which the Stock Exchange is open for the business of dealing in securities |
| “Chairman” | the chairman of the Board |
| “Companies Act” or “Act” | the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands |
| “Company” | China Aluminum Cans Holdings Limited 中國鋁罐控股有限公司, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Main Board of the Stock Exchange |
| “Controlling Shareholder(s)” | has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Lin Wan Tsang and Wellmass International Limited |
| “Director(s)” | director(s) of the Company |
| “Eligible Participant(s)” | the Employee Participants, the Service Providers and the Related Entity Participants |
| “Employee Participant(s)” | the directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries), provided that the Board shall have absolute discretion to determine whether or not one falls within such category |
| “Exercise Price” | the price per Share at which a Grantee may subscribe for the Shares on the exercise of a Share Option |

DEFINITIONS

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| “Extension Mandate” | a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate |
| “Existing Scheme” | the existing share option scheme of the Company adopted pursuant to a resolution passed by the then sole Shareholder on 20 June 2013 |
| “Grantee(s)” | any Eligible Participant(s) who accept(s) the Offer in accordance with the terms of the New Scheme or (where the context so permits and as referred to in the New Scheme) his/her Personal Representative(s) |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Individual Limit” | has the same meaning as defined in paragraph 4 of Appendix III of this circular |
| “Issue Mandate” | a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate amount of the shares of the Company in issue as at the date of passing the relevant resolution at the AGM |
| “Latest Practicable Date” | 11 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Memorandum” or “Memorandum of Association” | the memorandum of association of the Company currently in force |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules |
| “New Memorandum and Articles of Association” | the amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments |

DEFINITIONS

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| “New Scheme” | the new share option scheme proposed to be adopted by the Shareholders at the AGM |
| “Nomination Committee” | the nomination committee of the Company |
| “Offer” | means an offer for the grant of a Share Option made in accordance with the New Scheme |
| “Offer Date” | means the date on which the Board resolves to make an Offer of a Share Option to an Eligible Participant, which must be a Business Day |
| “Option Period” | which means, in respect of any Share Option, a period during which such Share Option can be exercised, being the period to be determined and notified by the Directors to the Grantee thereof, save that such period shall not be more than ten (10) years from the Offer Date |
| “Personal Representative(s)” | the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee, is or are entitled to exercise the Share Option granted to such Grantee (to the extent not already exercised) |
| “PRC” | the People’s Republic of China |
| “Proposed Amendments” | the proposed amendments to the Memorandum and Articles as set out in Appendix IV to this circular |
| “Related Entity(ies)” | the holding companies, fellow subsidiaries or associated companies of the Company |
| “Related Entity Participant(s)” | the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category |
| “Remuneration Committee” | the remuneration committee of the Company |
| “Repurchase Mandate” | a general and unconditional mandate proposed to be granted to the Directors to enable them during the relevant period to repurchase Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate amount of the shares of the Company in issue as at the date of passing the relevant resolution at the AGM |

DEFINITIONS

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| “Service Provider(s)” | <p>means person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor:</p> <ul style="list-style-type: none">(i) where the continuity and frequency of their services are akin to those of employees; or(ii) after stepping down from an employment or director position with the Group, <p>who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group’s principal business activities in the manufacture and sale of monobloc aluminum aerosol cans and investment holding, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific-industry advice on the Group’s business and financial or commercial strategy, and provided that professional service providers, such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category and the Board shall have absolute discretion to determine whether or not one falls within such category</p> |
| “Service Provider Sublimit” | has the same meaning as defined in paragraph 3 of Appendix III of this circular |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Share Option(s)” | the option(s) granted under the New Scheme to subscribe for Shares in accordance with the New Scheme |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong |
| “%” | per cent |

LETTER FROM THE BOARD

CHINA ALUMINUM CANS HOLDINGS LIMITED

中國鋁罐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6898)

Executive Directors:

Mr. Lin Wan Tsang (*Chairman*)

Mr. Dong Jiangxiong

Independent non-executive Directors:

Dr. Lin Tat Pang

Ms. Guo Yang

Mr. Yip Wai Man Raymond

Registered office:

Windward 3, Regatta Office Park,

P.O. Box 1350,

Grand Cayman KY1-1108,

Cayman Islands

Principal place of business

in Hong Kong

Unit G, 20/F., Golden Sun Centre,

Nos. 59/67 Bonham Strand West,

Sheung Wan,

Hong Kong

24 April 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
TERMINATION OF EXISTING SHARE OPTION SCHEME,
ADOPTION OF NEW SHARE OPTION SCHEME,
PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for the approval of (a) the Issue Mandate; (b) the Repurchase Mandate; (c) the Extension Mandate; (d) the re-election of the Directors; (e) the termination of Existing Scheme; (f) the adoption of New Scheme; and (g) the proposed adoption of the New Memorandum and Articles of Association. This circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

A notice convening the AGM is set out on pages AGM-1 to AGM-6 of this circular.

LETTER FROM THE BOARD

GRANT OF ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

Pursuant to the ordinary resolutions passed by the then Shareholders at the last annual general meeting of the Company held on 12 May 2022, the Directors were granted (a) general and unconditional mandates to allot, issue and deal with Shares not exceeding 20% of the aggregate amount of the Shares in issue on the date of passing of the relevant ordinary resolution; (b) a general and unconditional mandate to repurchase Shares with an aggregate amount not exceeding 10% of the aggregate amount of the Shares in issue on the date of passing of the relevant ordinary resolutions; and (c) the power to extend the general mandate mentioned in (a) above by an amount representing the aggregate amount of the Shares repurchased by the Company pursuant to the mandate to repurchase securities referred to in (b) above.

The above general mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 20% of the aggregate amount of the Shares in issue as at the date of passing of such resolution;
- (b) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares up to a maximum of 10% of the aggregate amount of the Shares in issue as at the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The full text of the above resolutions are set out in resolutions paragraphs 5 to 7 as set out in the notice of the AGM contained in pages AGM-1 to AGM-6 of this circular.

As at the Latest Practicable Date, the issued share capital of the Company comprised 901,785,000 Shares. On the basis that no further Shares are repurchased or issued prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 90,178,500 Shares and under the Issue Mandate to issue a maximum of 180,357,000 Shares, representing 10% and 20% of the issued Shares as at the Latest Practicable Date respectively.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Company's memorandum of association and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or (c) the time when such mandate is revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

With reference to the Repurchase Mandate and the Issue Mandate, the Directors wish to state that they have no immediate plans to repurchase any Shares or allot and issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF THE DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. Lin Wan Tsang and Mr. Dong Jiangxiong and the independent non-executive Directors are Dr. Lin Tat Pang, Ms. Guo Yang and Mr. Yip Wai Man Raymond.

Pursuant to article 108(a) of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Dong Jiangxiong and Mr. Yip Wai Man Raymond shall retire from office by rotation at the AGM, and being eligible, will offer themselves for re-election.

In accordance with the nomination policy of the Company and the objective criteria (including without limitation, gender, age, ethnicity, cultural and educational background, professional experiences and knowledge) with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, the Nomination Committee has reviewed the re-election of the Directors through:

- (a) evaluating the performance and contribution of the retiring Directors during the last financial year of the Company and the period thereafter up to the date of evaluation; and
- (b) assessing the independence of the independent non-executive Directors being Dr. Lin Tat Pang, Ms. Guo Yang and Mr. Yip Wai Man Raymond, and considered whether they remained independent and suitable to continue to act in such roles.

After due evaluation and assessment, the Nomination Committee is of the opinion that:

- (a) the performance of the retiring Directors was satisfactory and contributed effectively to the operation of the Board; and

LETTER FROM THE BOARD

- (b) based on the information available to the Nomination Committee and the annual written independence confirmation received from the independent non-executive Directors, the Nomination Committee was satisfied that Dr. Lin Tat Pang, Ms. Guo Yang and Mr. Yip Wai Man Raymond
- i. fulfill the requirements of an independent non-executive Director as stipulated under Rule 3.13 of the Listing Rules; and
 - ii. are the persons of integrity and independent in character and judgement.

Accordingly, the Nomination Committee recommended to the Board, and the Board has considered the re-election of Mr. Dong Jiangxiong as an executive Director and Mr. Yip Wai Man Raymond as an independent non-executive Director, is in the best interests of the Company and the Shareholders as a whole and has resolved to propose to re-elect each of the retiring Directors at the AGM.

Particulars of each of the retiring Directors proposed to be re-elected at the AGM which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

TERMINATION OF EXISTING SCHEME

The Existing Scheme was adopted by the Company pursuant to the passing of a resolution of the then sole Shareholder on 20 June 2013. The Existing Scheme enables the Group to grant options to the Directors, the employees of the Group and other selected participants as incentives for their contribution to the Group. Pursuant to the terms of the Existing Scheme, it shall be valid and effective for a period of 10 years commencing on the adoption date (i.e. 20 June 2013) of the Existing Scheme.

Up to the Latest Practicable Date, no share options has been granted under the Existing Scheme.

Other than the Existing Scheme, the Company currently does not maintain any other share option scheme. Taking into account that the Existing Scheme will expire on 19 June 2023, the Board proposes to adopt the New Scheme which complies with Chapter 17 of the Listing Rules and a resolution will be proposed at the AGM for the adoption of the New Scheme.

Conditional upon the passing of the ordinary resolution by the Shareholders at the AGM, the Existing Scheme will be terminated and no further options shall be granted pursuant to the Existing Scheme but the Existing Scheme shall in all other respects remain in force to the extent necessary to give effect to the exercise of any outstanding share options granted prior to its termination.

ADOPTION OF NEW SCHEME

Since the Existing Scheme will expire on 19 June 2023, the Board proposes to adopt the New Scheme pursuant to Chapter 17 of the Listing Rules, and an ordinary resolution will be proposed at the AGM for the adoption of the New Scheme.

LETTER FROM THE BOARD

The purpose of the New Scheme is to enable the Group to grant options for rewarding the Eligible Participants for their contribution or future contribution to the Group. The eligibility of any of the eligible participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his/her contribution to the development and growth of the Group.

As at the Latest Practicable Date, no share options had been agreed to be granted under the New Scheme. The Company does not at present intend to appoint a trustee to the New Scheme. As such, none of the Directors is a trustee of the New Scheme nor has a direct or indirect interest in the trustees of the New Scheme (if any). The New Scheme is largely similar to the Existing Scheme. The major differences between the New Scheme and the Existing Scheme are changes made to the terms of the New Scheme to conform to the latest amendments to Chapter 17 of the Listing Rules. Both the New Scheme and the Existing Scheme comply with the requirements under Chapter 17 of the Listing Rules.

Scheme Mandate Limit

The maximum number of Shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme(s) of the Company and the awards to be granted under any share award scheme(s) of the Company that involve(s) the issuance of new Shares (if any), in aggregate will be up to 10% of the Shares in issue as at the Adoption Date (the "**Scheme Mandate Limit**").

The Service Provider Sublimit of the New Scheme will be up to 1% of the total number of Shares in issue on the date of approval of the Service Provider Sublimit. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the New Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Share Options to the Service Providers, the actual or expected increase in the Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Provider in the Group's business, the current payment and/or settlement arrangement with the Service Providers. Given the above, the Directors have made reference to the 1% Individual Limit and considered that a sublimit of 1% would not lead to an excessive dilution of existing Shareholders' holdings. Considering that there are no other share schemes involving grant of options over new Shares, the Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of the Company's businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Share Options to the Service Providers to achieve the purpose of the New Scheme and the relatively low threshold of 1% can provide adequate safeguard against excessive dilution. The Service Provider Sublimit is subject to separate approval by the Shareholders at the AGM.

On the basis of 901,785,000 Shares in issue as at the Latest Practicable Date and assuming that, prior to the AGM, no Shares are issued or repurchased by the Company, the Scheme Mandate Limit will be 90,178,500 Shares and the Service Provider Sublimit will be 9,017,850 Shares.

LETTER FROM THE BOARD

Conditions of the adoption of the New Scheme

The adoption of the New Scheme is conditional upon:

- (i) the termination of the Existing Scheme by an ordinary resolution at the AGM;
- (ii) the approval of the New Scheme at the AGM and the allotment and issue of the Shares which may fall to be allotted and issued upon the exercise of any Share Options granted under the New Scheme; and
- (iii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be allotted and issued upon the exercise of the Share Options granted under the New Scheme.

Eligible Participants

Eligible Participants include the Employee Participants, the Service Providers and the Related Entity Participants.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future. The Board may determine the Employee Participants' eligibility in its sole discretion by considering all relevant factors as appropriate (please refer to the factors set out in paragraph 2 in Appendix III) and take into account criteria based on the nature of the contributions made by Service Providers and Related Entity Participants before granting Share Option(s) to them (please refer to the factors set out in paragraph 2 in Appendix III).

The nature of the work projects involved by the Related Entity Participants is manufacture and sale of monobloc aluminum aerosol cans, which are generally used in the packaging of fast-moving personal care products such as sanitizer products, body deodorant, hair styling products and shaving cream, as well as pharmaceutical products such as pain relieving spray, spray dressing and antiseptic spray, with a wide range of extrusion dies available to produce more than 50 models of aluminum aerosol cans of base diameters from 22 mm to 66 mm and heights from 58 mm to 247 mm with various features and shapes for our customers' selection. Considering the Company's hiring practices and organisational structures and that Service Providers and Related Entity Participants have contributed to the long-term growth of the Company's businesses, the Board is of the view that it would be in the Company's interest to also have the flexibility to grant Share Options to the Service Providers and the Related Entity Participants in recognition of their contribution to the Company. The Directors (including the independent non-executive Directors) also consider that it is beneficial to include the Related Entity Participants and the Service Providers since a sustainable and stable relationship with

LETTER FROM THE BOARD

them is essential to the business development of the Group, and that the grant of Share Options to these non-employee participants will align their interests with the Group's, incentivising them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run. More specifically, the Board (including the independent non-executive Directors) is of the view that:

- (i) The Company and the Related Entity Participants have always had a close working relationship. Despite that Related Entity Participants may not be directly appointed and employed by the members of the Group, such Related Entity Participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships, they may be involved in projects or other business engagements relating to or having connections with the Group's business. As such, certain Related Entity Participants have joint involvement in work projects from time to time. Given the mix of workload, the Company feels that it is important to recognise the contribution or future contribution of such Related Entity Participants by giving them incentive through their participation in the New Scheme. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Scheme to include the Related Entity Participants, who the Company can incentivise with the grant of Share Options in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the Related Entities and the Group; while the Related Entities may consider granting Share Options to those employees, given that the same employees may be utilised by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant Share Options to those employees in recognition of such contribution to the Company.
- (ii) The Group has collaborated with independent contractors, consultants and advisors who have provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's principal business activities in the manufacture and sale of monobloc aluminum aerosol cans and investment holding, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group (but for the avoidance of doubt exclude professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) and they have played significant roles in the Group's business development by contributing their specialised skills and knowledge in the manufacture and sale of monobloc aluminum aerosol cans. During the ordinary and usual course of business of the Group, the Group will from time to time require services in terms of, among others, research and development for its monobloc aluminum aerosol cans, marketing experts to promote the businesses of the Group and industry advice on the businesses of the Group and financial or commercial strategy, all of which may involve the engagement of independent contractor, sub-contractor and/or engineering or technical provider which possess the necessary skills

LETTER FROM THE BOARD

and experience to assist the Group. Such independent contractors, consultants and advisors may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. As these Service Providers are either former management or former employees of the Group, or are personnel who have worked for the Group where the continuity and frequency of their services are akin to those of employees, the Group values their familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group. Hence, the Board is of the view that apart from the invaluable contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from these kind of independent contractors, consultants and advisors who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of Share Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group, such that its performance efficiency may be maximised.

- (iii) As mentioned above, the Board will take into account of numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Eligible Participants. As the eligibility of any of those non-employee Eligible Participants to the grant of Share Options shall be determined by the Directors as to his/her/its contribution to the development and growth of the Group, the independent non-executive Directors are of the view that the grant of Share Options would only be made by the Company to those non-employee Eligible Participants that would align with the business needs and/or development of the Group. Given the above, the independent non-executive Directors are of the view that the inclusion of non-employee Eligible Participants are in line with the Group's business needs, and the criteria in determining the eligibility of such non-employee Eligible Participants align with the purpose of the New Scheme.
- (iv) It has always been the intention of the Company to include employee, director, officer or consultant of a Related Entity and any other group or classes of participants which the Directors consider to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the Group as these classes of person were all eligible under the Existing Scheme. The Company has always opted a flexible approach when it comes to devising its own talent recruitment and retention strategies.
- (v) No share options have been granted to any non-employee participants under the Existing Scheme nor any other share option scheme of the Company. The Board has no present intention to grant Share Options to any of the Eligible Participants under the New Scheme

LETTER FROM THE BOARD

after its adoption. In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of Related Entity Participants and Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports. However, on the basis that the categories of the non-employee Eligible Participants and the criteria in determining such non-employee Eligible Participants are in line with the Company's business need, and the fact that the Board has the authority to select the appropriate participants of such non-employee Eligible Participants that would align with the business needs and/or development of the Group and to specify the terms and conditions in respect of any Share Options that may be granted, including the minimum holding period and subscription price for such Share Options, the Board is of the view that such will serve to protect the value of the Company as well as achieve the purposes of motivating the participants to contribute to the development and growth of the Group for the benefit of the Shareholders. Accordingly, the independent non-executive Directors are of the view that the inclusion of the non-employee Eligible Participants fits the purpose of the New Scheme, is fair and reasonable and in the interests of the Company and Shareholders as a whole.

LETTER FROM THE BOARD

The inclusion of the Service Providers as Eligible Participants under the New Scheme leaves sufficient flexibility for the Group in light of its future development and is fair and reasonable and in the interest of the Company and its Shareholders as a whole in the long run because: (a) in a view to enhancing its competitive strength and maintaining its market position, the Company may need Service Providers to provide insights to various aspects of the business and operation of the Group; (b) the Service Providers may provide recommendations and/or advice to the Group in matters including but not limited to strategic management, business research and development, technological support and consulting services, so as to contribute to assist the Group in achieving the operational competitiveness and business sustainability on mid to long term basis; and (c) in the event that the Company engages Service Providers to provide consulting services to the Group, including these Service Providers as Participants may fill the gap and to foster the relationship with them as well as allowing the Company to pay such Service Providers a consideration comprising service fee and share-based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs, at the same time incentivize the Service Providers with the long-term value to be brought by the growth of the Company's business and market capitalization. Furthermore, it will align the interests of the Service Providers with that of the Group, which would in the long-term, and draw in key players of various industries that would help contribute to the Group's growth and development, and therefore is in the interests of the Company and the Shareholders as a whole, and in line with the purposes of the New Scheme.

The inclusion of the Service Providers in the New Scheme is consistent with the ongoing practice of the Group to grant awarded shares to its Service Providers from time to time in order to incentivise them to contribute to the long term growth of the Company.

Therefore, the Board (including independent non-executive Directors) consider that the proposed categories and the assessment criteria for each type of the Related Entity Participants and the Service Providers are in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group. Through the grant of the Awards, such Eligible Participants and the Group will have a common goal in the growth and development of the Group's business, and they could participate in the future prospect of the Group and share the additional reward through their sustainable contribution.

In light of the above and having considered that attracting and recruiting high-calibre talents are of importance to the Group's further development, the Board (including the independent non-executive Directors) is of the view that the current categories of Eligible Participants as applied under the New Scheme are fair and reasonable as this will offer the Board with sufficient flexibility to attract and incentivise those Selected Participants to contribute to the overall growth and development of the Group while preserving cash resources of the Group and thus, is in the interest of the Company and its Shareholders as a whole. By allowing the Company to grant Options under the New Scheme at a subscription price which will be determined on a fair basis according to market value of the Shares, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants with further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the New Scheme.

LETTER FROM THE BOARD

Having their contribution recognised and their interests aligned with the Group's, the Related Entity Participants and the Service Providers will be better motivated to support the development of the Group in a sustainable manner.

Under the rules of the New Scheme, there is generally neither any performance targets required to be achieved by any holder of Share Option before a Share Option is capable of being exercised by the holder of Share Option nor any clawback mechanism under the New Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any holder of Share Option) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. However, the rules of the New Scheme will give the Board discretion to impose such performance target conditions on the Share Options or prescribe such clawback mechanism on a case by case basis where appropriate. The Directors consider that it may not always be appropriate to impose such performance target conditions or prescribe such clawback mechanism particularly when the purpose of granting the Share Options is to remunerate or compensate Eligible Participants for past contributions.

The Directors consider it is in the best interests and more beneficial to the Company to retain the flexibility to determine whether such conditions or clawback mechanism are appropriate in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution.

As soon as possible upon the granting of Shares Options to an Eligible Participant, the Company will publish an announcement in accordance with Rule 17.06B of the Listing Rules, setting out among others, a description (which may be qualitative) of the performance targets attached to the Share Options granted, if any, and the clawback mechanism for the Company to recover or withhold any Share Options granted, if any. Where Share Options are granted to the Directors and/or senior managers of the Company without performance targets and/or clawback mechanism, the views of the remuneration committee on why performance targets and/or a clawback mechanism is/are not necessary and how the grants align with the purpose of the New Scheme will also be included in such announcement.

Values of all options that can be granted under the New Scheme

The Directors consider that it is not possible to state the value of all options that may be granted pursuant to the New Scheme as if they had been granted on the Latest Practicable Date, because the calculation of the value of the options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. As options have not been granted under the New Scheme, certain variables are not available for calculating the value of the options. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date prior to the approval of the New Scheme at the AGM based on a great number of speculative assumptions would not be meaningful to the Shareholders.

Compliance to the Listing Rules

The provisions of the New Scheme comply with the requirements of Chapter 17 of the Listing Rules. With respect to the operation of the New Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

General

An ordinary resolution to approve and adopt the New Scheme will be proposed to be approved at the AGM. A summary of the principal terms of the rules of the New Scheme is set out in Appendix III to this circular. A copy of the rules of the New Scheme will be published on the respective websites of the Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM and the rules of the New Scheme will be made available for inspection at the AGM. A copy of the rules of the New Scheme is available for inspection at the principal place of business of the Company in Hong Kong at Unit G, 20/F., Golden Sun Centre, Nos. 59/67 Bonham Strand West, Sheung Wan, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the Share Options granted under the New Scheme.

PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 24 March 2023. The Board proposes to seek approval from the Shareholders at the AGM for amendments to the Memorandum and the Articles of Association to conform with the core shareholder protection standards set out in Appendix 3 to the Listing Rules and to make other updates and housekeeping changes (collectively, the “**Proposed Amendments**”). The Company will seek approval from the Shareholders at the AGM for the adoption of the New Memorandum and Articles of Association incorporating the Proposed Amendments. The adoption of the New Memorandum and Articles of Association is subject to the approval of the Shareholders by way of special resolution at the AGM. Details of the Proposed Amendments are set out in Appendix IV to this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands company listed on the Stock Exchange.

AGM AND PROXY ARRANGEMENT

A notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular.

A form of proxy for use at the AGM is enclosed herewith. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.6898hk.com). Whether or not you are able to attend the AGM, you are requested to complete, sign and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

VOTE BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the AGM will be conducted by way of poll.

RECOMMENDATION

Resolutions to be proposed at the AGM include ordinary resolutions relating to (a) the proposed grant of each of the Issue Mandate, Repurchase Mandate and Extension Mandate; (b) the proposed re-election of each of the retiring Directors; (c) the termination of Existing Scheme; (d) the adoption of New Scheme; and (e) the proposed adoption of New Memorandum and Articles of Association. The Directors consider that all the proposed resolutions are in the best interests of the Company and the Shareholders as a whole and, accordingly, recommend all Shareholders to vote in favour of all such resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By Order of the Board of
China Aluminum Cans Holdings Limited
中國鋁罐控股有限公司
Lin Wan Tsang
Chairman and executive Director

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase shares on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 901,785,000 Shares in issue.

The Repurchase Mandate will enable the Directors to repurchase the Shares up to a maximum of 10% of the aggregate amount of shares of the Company in issue as at the date of passing the relevant ordinary resolution at the AGM. Subject to the passing of the proposed resolution granting the Repurchase Mandate and assuming that no further Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 90,178,500 Shares.

The Repurchase Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Company's memorandum of association and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or (c) the time when such mandate is revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

FUNDING OF REPURCHASE

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles and the applicable laws and regulations of the Cayman Islands.

It is presently proposed that any purchase of the Shares would be made out of profits of the Company or the proceeds of a fresh issue made for the purchase or out of capital provided that on the day immediately following the date of repurchase the Company is able to pay its debts as they fall due in the ordinary course of business.

As compared with the financial position of the Company as at 31 December 2022 (being the date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate is to be exercised in full during the proposed repurchase period. However, the Directors do not propose to

exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interest of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders at the AGM.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is approved by the Shareholders at the AGM.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If as a result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the details of the Controlling Shareholder's shareholding interest in the Company are as follows:

| Name | Capacity/Nature of Interest | Number of Shares held | Approximate percentage of the issued share capital of the Company |
|--|--|-----------------------|---|
| Mr. Lin Wan Tsang ("Mr. Lin") (<i>Note 2</i>) | Interest in a controlled corporation (<i>Note 1</i>) Beneficial owner | 268,000,000 | 29.72% |
| Wellmass International Limited ("Wellmass") | Beneficial owner (<i>Note 1</i>) | 392,546,000 | 43.53% |
| | | 268,000,000 | 29.72% |

Note 1: Wellmass is 100% beneficially owned by Mr. Lin. Accordingly, Mr. Lin is deemed to be interested in the Shares held by Wellmass.

Note 2: Mr. Lin is interested in approximately HK\$271.8 million convertible notes of the Company which is convertible into 494,228,072 Shares at a conversion price of HK\$0.55.

As at the Latest Practicable Date, altogether representing Mr. Lin and Wellmass owned approximately 73.25% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the combined interests of Wellmass and Mr. Lin in the Company would increase to approximately 81.39% of the issued share capital of the Company and such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeover Code. The Company will not repurchase Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

SHARE PRICES

The highest and lowest price at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

| Month | Per Share | |
|-------------------------|------------------------|-----------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2022 | | |
| April | 0.520 | 0.440 |
| May | 0.440 | 0.405 |
| June | 0.415 | 0.390 |
| July | 0.950 | 0.300 |
| August | 0.420 | 0.330 |
| September | 0.425 | 0.310 |
| October | 0.390 | 0.320 |
| November | 0.340 | 0.340 |
| December | 0.340 | 0.340 |
| 2023 | | |
| January | 0.550 | 0.335 |
| February | 0.800 | 0.265 |
| March | 0.415 | 0.330 |
| April ^(Note) | 0.385 | 0.335 |

Note: Up to the Latest Practicable Date

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

The following are the particulars of the retiring Directors (as required by the Listing Rules) who are subject to re-election at the AGM.

(1) MR. DONG JIANGXIONG

Mr. Dong Jiangxiong (董江雄, “Mr. Dong”), aged 71, was appointed as the executive Director on 31 March 2016. Mr. Dong obtained his Bachelor’s degree in Precision Instrument from Tsinghua University* (清華大學). He obtained the Qualification of Patent Attorney* (專利代理人) in 1985 and the Lawyer’s License* in the PRC in 1988. He has over 30 years of experience in advising on intellectual properties matters such as patents, trademarks and copyrights. Mr. Dong has extensive experience in advising corporations in the PRC and overseas on intellectual properties matters.

Mr. Dong has entered into a service agreement with the Company for an initial fixed term of three years commencing from 31 March 2016 and shall continue thereafter until terminated by either party by giving not less than three months’ notice in writing at any time after such initial fixed term to the other and he is subject to retirement from office and re-election at the annual general meeting of the Company and vacation of office in accordance with the Articles. Mr. Dong was entitled to HK\$274,000 per annum for his appointment as an executive Director and may also be entitled to a discretionary bonus if so recommended by the remuneration committee of the Company and approved by the Board having regard to the operation results of the Group and his performance, provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year may not exceed five percent of the audited consolidated net profits of the Group after taxation and minority interest but before extraordinary items attributable to the Shareholders of the relevant year.

Save as disclosed above, as at the Latest Practicable Date, Mr. Dong (i) has not held any directorship in other listed companies in the past three years; (ii) has not held any other positions in the Company or any of its subsidiaries; (iii) is not connected with any existing Directors, substantial Shareholders, controlling shareholders or senior management of the Company; and (iv) does not have any interest in the Shares and other securities of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

There is no other information relating to Mr. Dong that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

(2) MR. YIP WAI MAN RAYMOND

Mr. Yip Wai Man Raymond (葉偉文, “Mr. Yip”), aged 52, was appointed as an independent non-executive Director on 27 May 2016. Mr. Yip is also the chairman of the audit committee, the chairman of the risk management committee and a member of each of the nomination committee and the remuneration committee of the Company. Mr. Yip obtained a Bachelor of Commerce from the Memorial University of Newfoundland in May 1994. He has been admitted by the Council of The University of New South Wales and the Senate of The University of Sydney with a degree of Master of Business Administration in October 2004. Mr. Yip became a member of the Institute of Chartered Accountants in Australia in January 2001, a certified general accountant of the Certified General Accountants’ Association of Canada in September 1996 and an associate of the Hong Kong Society of Accountants in February 2002.

Mr. Yip has obtained over 20 years of experience in financial management. He worked for Ernst & Young from July 1996 to September 2001. Mr. Yip was employed by Fittec Electronics Co., Ltd. as a financial controller between February 2002 and December 2004. He worked for Funmobile Limited from February 2005 to September 2011 with last position of chief financial officer.

Mr. Yip had been a director of GPRO Technologies Berhad (now known as G Neptune Berhad), shares of which are listed on the ACE Market (GNB (0045)), Malaysia between November 2011 and March 2014 and a director of Industronics Berhad, shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad (Itronic (9393)), Malaysia between January 2013 and February 2014.

Mr. Yip has entered into a service contract with the Company under which he acts as an Independent non-executive Director for an initial fixed terms of one year commencing on 27 May 2016 and shall continue thereafter until terminated by either party by giving not less than three months’ notice in writing at any time after such initial fixed term to the other and he is subject to retirement from office and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the service contract, Mr. Yip is entitled to receive an annual salary of HK\$210,000 for his appointment as an independent non-executive Director and may also be entitled to a discretionary bonus if so recommended by the remuneration committee of the Company and approved by the Board having regard to the operation results of the Group and his performance, provided that the aggregate amount of bonuses payable to all the executive Directors for any financial year may not exceed five percent of the audited consolidated net profits of the Group after taxation and minority interest but before extraordinary items attributable to Shareholders of the Company of the relevant year.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yip (i) has not held any directorship in other listed companies in the past three years; (ii) has not held any other positions in the Company or any of its subsidiaries; (iii) is not connected with any existing Directors, substantial Shareholders, Controlling Shareholders or senior management of the Company; and (iv) does not have any interest in the Shares and other securities of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

There is no information relating to Mr. Yip that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Set out below is a summary of the principal terms and conditions of the New Scheme to provide sufficient information to the Shareholders for their consideration of the New Scheme proposed to be adopted at the Annual General Meeting.

(1) PURPOSE OF THE NEW SCHEME

The purpose of the New Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the New Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the Exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(2) WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (a) directors, chief executive and employees of the Company or any of its subsidiaries (including persons who are granted options under the New Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);
- (b) directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company;
- (c) person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long term growth of the Group, including any consultant, independent contractor or advisor:
 - (i) where the continuity and frequency of their services are akin to those of employees;
or
 - (ii) after stepping down from an employment or director position with the Group,

who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to the Group's principal business activities in the manufacture and sale of monobloc aluminum aerosol cans and investment holding, or other areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, for example, offering specific-industry advice on the Group's business and financial or commercial strategy, and provided that professional service providers. For the avoidance of doubt, such service providers should

exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions. Professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity, are also excluded; and

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account of the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

For Employee Participants, assessing factors include: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the individual contribution or potential contribution to the development and growth of the Group.

For each category of Related Entity Participants and Service Providers, assessing factors include: the individual performance of relevant Service Providers, the length of business relationship with the Group, the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties), track record in the quality of services provided to and/or cooperation with the Group and the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers.

In assessing whether the Service Provider provides services to the Group on a continuing and recurring basis and in its ordinary and usual course of business, the Board shall take into consideration the length and type of services provided and the recurrences and regularity of such services, the nature of the services provided to the Group by the Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group, as disclosed in the Company's announcements, circulars, interim and annual reports.

- (a) In assessing the eligibility of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
 - (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
 - (iii) his/her contribution made or expected to be made to the growth of the Group; and

- (iv) his/her educational and professional qualifications, and knowledge in the industry.
- (b) In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
 - (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
 - (ii) the period of engagement or employment of the Related Entity Participant by the Group;
 - (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
 - (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
 - (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
 - (vi) the materiality and nature of the business relation of the holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies which may benefit the core business of the Group through a collaborative relationship.
- (c) In assessing the eligibility of Service Provider(s), the Board will consider all relevant factors as appropriate, including, among others:
 - (i) in respect of advisers and consultants:
 - A. the expertise, professional qualifications and industry experience of the Service Provider;
 - B. the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;
 - C. the prevailing market fees chargeable by other services providers;
 - D. the Group's period of engagement of or collaboration with the Service Provider; and
 - E. the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit;

- (ii) in respect of contractors, sub-contractor and/or engineering or technical provider:
- A. the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him;
 - B. the ability of the Service Provider to maintain the quality of services;
 - C. the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;
 - D. the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group;
 - E. the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
 - F. the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.

(3) MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The total number of Shares which may be issued upon the exercise of all Share Options to be granted under the New Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (the "**Other Schemes**") shall not in aggregate exceed 10% of the Shares in issue on the Adoption Date (the "**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders pursuant to (c) below. Share Options or awards cancelled or lapsed in accordance with the terms of the New Scheme or Other Schemes shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit (as defined below) have been exceeded. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Share Options to be granted under the New Scheme and options and awards to be granted under all Other Schemes under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the number of total issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.
- (b) Subject to (a) above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to the Service Providers shall not exceed 1% of the total number of Shares in issue on the Adoption Date (the "**Service Provider Sublimit**").

- (c) The Company may seek approval of the Shareholders in the general meeting for refreshing the Scheme Mandate Limit and the Service Provider Sublimit set out in (a) and (b) above under the New Scheme after three (3) years from the date of approval by the Shareholders for the adoption of the New Scheme or the last refreshment.
- (d) Any refreshment within any three (3)-year period must be approved by Shareholders subject to that:
- (i) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (ii) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules.
- (e) The requirements under (d)(i) and (d)(ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.
- (f) The total number of Shares which may be issued in respect of all Share Options to be granted under the New Scheme (in aggregate with any other options and awards to be granted under any Other Schemes that involve(s) the issuance of new Shares) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company shall send to the Shareholders a circular containing all such information as may be required under the Listing Rules.
- (g) The Company may seek separate approval by the Shareholders in its general meeting for granting Share Options beyond the Scheme Mandate Limit provided the Share Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send to the Shareholders a circular containing the name of each specified Eligible Participant who may be granted such Share Options, the number and terms of the Share Options to be granted to each Eligible Participant, and the purpose of granting Share Options to the specified Eligible Participants with an explanation as to how the terms of the Share Options serve such purpose and all such information as may be required under the Listing Rules. The number and terms of Share Options to be granted to such Eligible Participants must be fixed before approval by the Shareholders. In respect of any Share Options to be granted, the date of Board meeting for proposing such grant should be taken as the date of offer of grant of the Share Option (the “**Date of Grant**”) for the purpose of calculating the subscription price for Shares under the New Scheme (the “**Subscription Price**”).

(4) GRANT OF SHARE OPTIONS

Below would be construed as a grant of option under the New Scheme under Rule 17.06A:

- (a) Subject to paragraph 4(b), the Directors shall, in accordance with the provisions of the New Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any Eligible Participant to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such price per Share at which a Grantee may subscribe for the Shares on the exercise of a Share Option, as determined in accordance with paragraph 5, as the Directors shall, subject to paragraph 3 and at their discretion, determine.
- (b) Without prejudice of paragraph 3, the making of an Offer to any Director or chief executive of the Company or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of a Share Option).
- (c) Any Offer shall be made to an Eligible Participant in writing (and otherwise so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares covered by such Share Option, the Option Period and any terms and conditions, restrictions and/or limitations applicable to the Share Option, and further requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and the Offer shall include a statement to the effect that any acceptance thereof shall render the Eligible Participant to whom the Offer is made bound by the provisions of the New Scheme. The Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 30 days from the Offer Date.
- (d) An Offer shall state, in addition to the matters specified in paragraph 4(c), the following:
 - (i) the name, address and occupation of the Eligible Participant;
 - (ii) the number of Shares under the Share Option in respect of which the Offer is made and the Exercise Price for such Shares;
 - (iii) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares under the Share Option comprised in the Offer;
 - (iv) the last date by which the Offer must be accepted (which must not be later than 30 days from the Offer Date);

- (v) a minimum period for which a Share Option must be held before it is vested and exercisable, which shall not be less than 12 months;
 - (vi) the procedure for acceptance;
 - (vii) such other terms and conditions of the Offer as may be imposed by the Directors which in their opinion are fair and reasonable and not inconsistent with the New Scheme; and
 - (viii) a statement requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the New Scheme including, without limitation, the conditions specified in, among other things, paragraphs 4(c) and 6(a).
- (e) An Offer shall have been accepted by an Eligible Participant in respect of all Shares under the Share Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- (f) Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the Share Option which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- (g) Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraphs 4(e) or 4(f), a Share Option in respect of the number of Shares of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraphs 4(e) or 4(f), it will be deemed to have been irrevocably declined.
- (h) The Option Period of a Share Option must not be more than ten (10) years after the Offer Date.

- (i) Share Options will not be listed or dealt in on the Stock Exchange.
- (j) For so long as the Shares are listed on the Stock Exchange:
 - (i) an Offer may not be made after a price-sensitive event or inside information has come to the knowledge of the Board until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:
 - (A) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (B) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, quarter or any other interim period (whether or not required under the Listing Rules);and ending on the actual date of publication of the results announcement, and no Option may be granted during any period of delay in publishing a results announcement.
 - (ii) without prejudice to paragraph 4(j)(i), an Offer may not be made to an Eligible Participant who is subject to the Model Code during the periods or times in which such Eligible Participant is prohibited from dealing in the Shares pursuant to the Model Code, or any corresponding code or securities dealing restrictions adopted by the Company.

(5) EXERCISE PRICE

The Exercise Price in respect of any Share Option shall, subject to any adjustments made pursuant to paragraph 15, be at the discretion of the Directors, provided that it must be at least the highest of:

- (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date;
- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares on the Offer Date;

provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

(6) EXERCISE OF SHARE OPTIONS

- (a) A Share Option must be personal to the Grantee and must not be transferable or assignable, save where applicable under the Listing Rules, when the Stock Exchange has granted a waiver to the Grantee to transfer his Share Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Scheme and comply with other requirements under the Listing Rules, no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Share Option or enter into any agreement to do so. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Share Option granted to such Grantee to the extent not already exercised.
- (b) Subject to, among other things, paragraph 4(c) and the fulfilment of all terms and conditions attached to the Share Options, a Share Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 6(e) and 6(f) by giving notice in writing to the Company stating that the Share Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Share Option remains unexercised is less than one board lot or where the Share Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for Shares in respect of which the notice is given. Within 30 days (seven days in the case of an exercise pursuant to paragraph 6(e)(iii) after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisers pursuant to paragraph 15, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Share Option by a Personal Representative pursuant to paragraph 6(e)(i), to the estate of the Grantee) fully paid and issue to the Grantee (or his/her estate in the event of an exercise by his/her Personal Representative as aforesaid) the relevant share certificate(s) in respect of the Shares so allotted and issued.
- (c) A Grantee is required to hold a Share Option for not less than twelve (12) months from the Offer Date before it can be exercised.
- (d) There is generally neither any performance targets required to be achieved by any holder of Share Option before a Share Option is capable of being exercised by the holder of Share Option nor any clawback mechanism under the New Scheme for the Company to recover or withhold any remuneration (which may include Share Options granted to any holder of Share Option) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. However, the Board has the discretion to impose such performance target conditions on the Share Options or prescribe such clawback mechanism on a case by case basis where appropriate. The performance targets attached to the Share Options granted, if any, and the clawback mechanism for the Company to recover or withhold any Share Options granted, if any, will be set out in the grant letter upon the granting of Shares Options to an Eligible Participant.

- (e) Subject as hereinafter provided in the New Scheme, a Share Option may only be exercised by the Grantee at any time during the Option Period provided that:
- (i) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a grantee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Share Option in full, his/her Personal Representative(s) or, as appropriate, the Grantee may exercise the Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6(b) within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6(e)(iii) or 6(e)(iv) occur during such period, exercise the Share Option pursuant to paragraph 6(e)(iii) or 6(e)(iv) respectively;
 - (ii) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a Grantee for any reason other than (1) his/her death, ill-health or retirement in accordance with his/her contract of employment or (2) the termination of his/her employment on one or more of the grounds specified in paragraph 7(a)(iv) before exercising the Share Option in full, the Share Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6(e) within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 6(e)(iii) or 6(e)(iv) occur during such period, exercise the Share Option pursuant to paragraph 6(e)(iii) or 6(e)(iv) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not;
 - (iii) if a general or partial offer, whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Share Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her Share Options were granted, be entitled to exercise the Share Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6(e) at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;

- (iv) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his/her Share Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6(e) and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his/her Share Option not less than one (1) day before the date on which such resolution is to be considered and/or passed whereupon he/she shall accordingly be entitled, in respect of the Shares allotted and issued to him/her in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Share Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (v) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the Grantees of the Share Options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given (such notice to be received by the Company no later than two (2) Business Days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Share Option credited as fully paid and register the Grantee as holder thereof. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Share Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective Share Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.
- (f) Shares to be allotted and issued upon the exercise of a Share Option will be subject to the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders thereof to participate in all dividends or distributions paid or made on or after the name of the Grantee is registered on the register of members of the Company, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date when the

name of the Grantee is registered on the register of members of the Company. A Share allotted and issued upon the exercise of a Share Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

(7) EARLY TERMINATION OF OPTION PERIOD

- (a) The Option Period in respect of any Share Option shall automatically terminate and that Share Option (to the extent not already exercised) shall lapse at the earliest of:
- (i) the expiry of the Option Period as may be determined by the Directors;
 - (ii) the expiry of any of the periods referred to in paragraph 6(e);
 - (iii) the date of commencement of the winding-up of the Company;
 - (iv) in respect of a Grantee who is an employee of the Group when an Offer is made to him/her, the date on which the Grantee ceases to be an employee of the Group by reason of a termination of his/her employment on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has been liable for a material misstatement in the Company's financial statements, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute and does not involve his integrity or honesty) or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his employment summarily;
 - (v) in respect of a Grantee other than an employee of the Group, the date on which the Board shall at their absolute discretion determine that: (i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group on the other part; or (ii) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and
 - (vi) the date on which the Directors shall exercise the Company's right to cancel the Share Option by reason of a breach of paragraph 6(a) by the Grantee in respect of that or any other Share Option.
- (b) A resolution of the Directors or written communication on behalf of the Board to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in paragraph 7(a)(iv) and (v) has occurred shall be conclusive and binding on all persons who may be affected thereby.

- (c) Transfer of employment of a Grantee who is an employee of the Group from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Grantee who is an employee of the Group is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

(8) MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Subject to paragraph (5) below, the total number of Shares issued and to be issued upon exercise of the options and awards granted to each Eligible Participant or grantee (including exercised and outstanding options but excluding any options and awards lapsed in accordance with the terms of such schemes) in any twelve (12)-month period up to the Date of Grant shall not exceed 1% of the number of the total issued Shares at the Date of Grant (the “**Individual Limit**”). Where it is proposed that any offer is to be made to an Eligible Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all options and awards granted and to be granted to such person (including exercised, cancelled and outstanding options and awards) in the twelve (12)-month period up to and including the relevant Date of Grant to exceed his, her or its Individual Limit, such offer and any acceptance thereof must be conditional upon approval by the Shareholders in the general meeting with such Eligible Participant (or where appropriate, an existing grantee) and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant or Grantee, the number and terms of options to be granted (and options previously granted) to such Eligible Participant and the information required under the Listing Rules. The number and terms (including the Subscription Price) of options to be granted to such Eligible Participant must be fixed before the date on which approval of the Shareholders is sought and the date of the Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

(9) GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of options under the New Scheme to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by independent non-executive Directors (excluding independent non-executive Director who is the Grantee of the options).
- (b) Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the New Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing the information required under Rule 17.04(5) of the Listing Rules and where the Listing Rules shall so require, the vote at the Shareholders’ meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting. Any change in the terms of options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting.

(10) TIME OF ACCEPTANCE AND EXERCISE OF OPTION

An offer of the grant of the option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

Subject to paragraphs (11), (18), (19), (20) and (23), an option may be exercised in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

(11) VESTING PERIOD

- (a) Save for the circumstances prescribed in (b) below, a Share Option must be held by the holder of Share Option(s) for at least twelve (12) months before the Share Option can be exercised.
- (b) A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:
 - (i) grants of “make-whole” Share Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
 - (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
 - (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Share Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Option would have been granted;
 - (iv) grants with a mixed or accelerated vesting schedule such as where the Share Option may vest evenly over a period of twelve (12) months;
 - (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria; and
 - (vi) the Remuneration Committee is of the view that a shorter vesting period is appropriate and serves the purpose of the New Scheme.

It is considered that by having the flexibility of having a shorter vesting period, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the New Scheme.

(12) PERFORMANCE TARGETS AND CLAWBACK MECHANISM

There is generally neither any performance targets required to be achieved by any holder of Share Option before a Share Option is capable of being exercised by the holder of Share Option nor any clawback mechanism under the New Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any holder of Share Option) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. However, the Board has the discretion to impose such performance target conditions on the Share Options or prescribe such clawback mechanism on a case by case basis where appropriate. The performance targets attached to the Share Options granted, if any, and the clawback mechanism for the Company to recover or withhold any Share Options granted, if any, will be set out in the grant letter upon the granting of Shares Options to an Eligible Participant.

(13) SUBSCRIPTION PRICE FOR SHARES AND CONSIDERATION FOR THE OPTION

The subscription price for Shares under the New Scheme will be a price determined by the Directors, but shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a Business Day; and (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

(14) RANKING OF SHARES

- (a) Shares allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association of the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an option shall not carry voting, dividend or other rights until the completion of the registration of the Grantee on the register of members of the Company as the holder thereof.
- (b) Unless the context otherwise requires, references to "Shares" in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or reduction of the share capital of the Company from time to time.

(15) EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, consolidation, sub-division or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of the Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable or the New Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, reduction of the share capital of the Company or any other capitalisation issue, then, in any such case the Company shall request the auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the New Scheme or any Share Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Exercise Price of any Share Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in a Share Option or which remain comprised in a Share Option, and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that:
 - i. any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he/she exercised all the Share Options held by him/her immediately prior to such adjustment;

- ii. no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- iii. the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- iv. any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

Subject to compliance with the requirements as provided in this paragraph 15, if there is any capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company prior to the exercise of the Share Options, an adjustment to the number of Share Options shall be made accordingly. The method of adjustment is set out as below:

(A) Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision

$$Q = Q0 \times (1 + n)$$

Where: “Q0” represents the number of Share Options before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; “Q” represents the number of Share Options after the adjustment.

(B) Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q0 \times n$$

Where: “Q0” represents the number of Share Options before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “Q” represents the number of Share Options after the adjustment.

(C) Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of Share Options before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Share Options after the adjustment.

Subject to compliance with the requirements as provided in this paragraph 9, capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company prior to the exercise of the Share Options, an adjustment to the Exercise Price shall be made accordingly. The method of adjustment is set out below:

(A) Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision

$$P = P0 \div (1 + n)$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; “P” represents the Exercise Price after the adjustment.

(B) Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P0 \div n$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio of consolidation or share subdivision or reduction of share capital; “P” represents the Exercise Price after the adjustment.

(C) Rights issue

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents Exercise Price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the Exercise Price of the rights issue; “n” represents the ratio of allotment; “P” represents the Exercise Price after the adjustment.

In respect of any adjustment referred to in this paragraph 15, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

- b If there has been any alteration in the capital structure of the Company as referred to in this paragraph 15, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6(b), inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with this paragraph 15.

- c In giving any certificate under this paragraph 15, the auditors or the independent financial adviser appointed under this paragraph 15 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby. The costs of the auditors or the independent financial adviser to the Company shall be borne by the Company.

(16) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, no offer for grant of options shall be made after a inside information has occurred or a inside information has been the subject of a decision until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of the meeting of the Directors for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the last date on which the Company must publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no offer for grant of option may be made.

The Directors may not grant any option to a participant who is subject to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company during the periods or times in which such participants is prohibited from dealing in Shares pursuant to such code.

(17) PERIOD OF THE NEW SCHEME

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme is adopted.

(18) RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (19) below before exercising his/her option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group whether salary is paid in lieu of notice or not.

(19) RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the Grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the option in full, his/her Personal Representative(s), or, as appropriate, the Grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the Grantee was at work with the Group whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

(20) RIGHTS ON DISMISSAL

If the Grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he/she has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his/ her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute), his/her option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

(21) RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that (i) the Grantee of any option (other than an Eligible Employee) or his/her associate has committed any breach of any contract entered into between the Grantee or his/her associate on the one part and the Group on the other part; or (ii) that such grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her creditors generally; or (iii) such grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever, the option granted to such grantee under the New Scheme shall lapse, his/her option will lapse automatically and will not in any event be exercisable on or after the date on which the event referred to (i), (ii) or (iii) above has occurred.

(22) RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his/her option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his/her option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(23) RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his/her option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Scheme and the Company shall allot and issue to the Grantee the Shares in respect of which such grantee has exercised his/her option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon the Grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

(24) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditor of the Company for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the New Scheme and the option so far as unexercised and/or the option price of the option concerned, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he/she was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value, and in each case, any adjustment must be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(25) CANCELLATION OF OPTIONS

Save as the breach of paragraph (27) below and subject to Chapter 17 of the Listing Rules, any cancellation of options granted but not exercised must be subject to the consent of the relevant grantee and the approval of the Directors.

When the Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders as mentioned in paragraph (3) above. The options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

(26) TERMINATION OF THE NEW SCHEME

The Company may, by resolution in general meeting, at any time terminate the operations of the New Scheme and in such event no further options shall be offered but in all other respects the provisions of the New Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

(27) RIGHTS ARE PERSONAL TO THE GRANTEE

An option is personal to the Grantee and shall not be transferable or assignable.

(28) LAPSE OF OPTION

An option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such option; (b) the expiry of the periods or dates referred to in paragraphs (17), (18), (19), (20), (21), (22) and (23); or (c) the date on which the Directors exercise the Company's right to cancel the option by reason of a breach of paragraph (27) above by the Grantee.

(29) OTHERS

- (a) The New Scheme is conditional on the Stock Exchange granting the listing of and permission to the obtaining of the approval of the Shareholders at the Annual General Meeting and deal in, such number of Shares to be issued pursuant to the exercise of any options which may be granted under the New Scheme.
- (b) Any alterations to the terms and conditions of the New Scheme which are of material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by the Shareholders in general meeting.
- (c) Any change to the terms of the Share Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or Shareholders (as the case may be) if the initial grant of the Share Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Scheme.
- (d) The amended terms of the New Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Scheme shall be approved by the Shareholders in general meeting.

The following are the proposed amendments to the Memorandum and the Articles brought about by the adoption of the New Memorandum and Articles of Association.

Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the existing Memorandum and Articles.

THE MEMORANDUM OF ASSOCIATION

**THE COMPANIES ~~LAW~~ACT (AS REVISED)
EXEMPTED COMPANY LIMITED BY SHARES**

**SECOND AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION**

OF

**CHINA ALUMINUM CANS HOLDINGS LIMITED
中國鋁罐控股有限公司**

(the “Company”)

**(~~Conditionally as adopted by a Special Resolution passed on 20 June 2013~~
~~and effective on 12 July 2013~~
19 May 2023 and effective on 19 May 2023)**

General amendments

- (i) Replacing all references to the words “Companies Law” with “Companies Act” wherever they appear in the Memorandum.

Specific amendments**Article****No. Proposed amendments showing changes to the existing Memorandum**

2. The registered office will be situate at the offices of ~~Appleby~~Ocorian Trust (Cayman) ~~Ltd. Limited, Clifton House, 75 Fort Street~~Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.

- 4.16 To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or company or to take or otherwise acquire and hold shares, stock, debentures or other securities of or interest in any other company carrying on any business or possessed of any property or rights.

THE ARTICLES OF ASSOCIATION

THE COMPANIES ~~LAW~~ACT (AS REVISED)

EXEMPTED COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

CHINA ALUMINUM CANS HOLDINGS LIMITED

中國鋁罐控股有限公司

(~~Ad~~conditionally adopted by a Special Resolution
passed on ~~20 June 2013~~ and effective on ~~12 July 2013~~
on 19 May 2023 and effective on 19 May 2023)

General amendments

- (i) Replacing all references to the defined term “Companies Law” with “Companies Act” wherever they appear in the Articles.

Specific amendments

Article

No. Proposed amendments showing changes to the existing Articles

1. (a) Table “A” of the Companies ~~Law~~Act (~~as revised~~) shall not apply to the Company.
- (b) Any marginal notes, titles or lead in references to Articles and the index of the Memorandum and Articles of Association shall not form part of the Memorandum or Articles of Association and shall not affect their interpretation. In interpreting these Articles of Association, unless there be something in the subject or context inconsistent therewith:

Marginal Notes

“Clearing House” means a clearing house recognized by the laws of the jurisdiction in which the Shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction, including without limitation, the HKSCC;

“Close Associate” in relation to any Director, shall have the same meaning as defined in the Listing Rules as modified from time to time, except that for purposes of Article 103 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules;

“Companies Law Act” means the Companies Law Act (as revised) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;

“Companies Ordinance” means the Companies Ordinance, Cap. 32622 of the Laws of Hong Kong as amended from time to time;

“financial year” means the financial period of the Company ending or ended on the date as determined in accordance with Article 191A for preparation of its financial statements to be laid before the Company at the annual general meeting of the Company;

“HKSCC” has the meaning ascribed to it by Listing Rules;

App.13
Part B
Para.1

~~(d)(c)~~ At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than $\frac{3}{4}$ of the ~~votes cast~~ total voting rights ~~of~~ ~~by~~ such Shareholders as, being entitled so to do, present and ~~voting~~ ~~e-~~in person or where proxies are allowed, by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting of which ~~not less than 21 days'~~ notice, specifying (without prejudice to the power contained in the Articles to amend the same) the intention to propose the resolution as a Special Resolution, has been duly given in accordance with Article 65. ~~Provided that, except in the case of an annual general meeting if it is so agreed by a majority in number of the Shareholders having a right to attend and vote at any such meeting, being a majority together holding not less than 95 % in nominal value of the Shares giving that right (or, in the case of an annual general meeting, by all Shareholders of the Company having that right), a resolution may be proposed and passed as a Special Resolution at a meeting of which less than 21 days' notice has been given.~~

Special
Resolution

~~(e)(d)~~ A resolution shall be an Ordinary Resolution when it has been passed by a simple majority of the total voting rights of such Shareholders as, being entitled so to do, present and ~~voting~~ in person or, where proxies are allowed, by proxy or, in the case of any Shareholder being a corporation, by its duly authorised representative at a general meeting held in accordance with these Articles and of which ~~not less than 14 days'~~ notice has been duly given in accordance with Article 65.

Ordinary
Resolution

~~(f)(e)~~ A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purpose of these Articles, be treated as an Ordinary Resolution duly passed at a general meeting of the Company duly convened and held and, where relevant as a Special Resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last person to sign, and where the resolution states a date as being the date of his signature thereof by any Shareholder the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, and signed by one or more relevant Shareholders.

Resolutions in
writing

- | | | |
|---|--|--|
| | <p>(g)(f) A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.</p> | <p>Special Resolution effective as Ordinary Resolution</p> |
| <p>App.13 Part B Para.1 App.3 Para 16</p> | <p>2. To the extent that the same is permissible under Cayman Islands law and subject to Article 13, a Special Resolution <u>passed at a general meeting</u> shall be required to alter the Memorandum of Association of the Company, to approve any amendment of the Articles or to change the name of the Company.</p> | <p>When Special Resolution is required <u>Amendment of Memorandum and Articles of Association</u></p> |
| <p>App.3 Para: 6(t)</p> | <p>3. Without prejudice to any special rights or restrictions for the time being attaching to any Shares or any class of Shares including preference Shares, any Share may be issued upon such terms and conditions and with such preferred, deferred or other qualified or special rights, or such restrictions, whether in regard to Dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine) and any Share may be issued on the terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company, or at the option of the holder. No Shares shall be issued to bearer.</p> | <p>Issue of Shares</p> |
| <p>App.3 Para: 2(2)</p> | <p>4. The Board may issue warrants to subscribe for any class of Shares or other securities of the Company, which warrants may be issued on such terms as the Board may from time to time determine. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such replacement certificate.</p> | <p>Warrants</p> |

- | | | |
|---|--|--|
| <p>App.3 Para. 6(2)15 App.13 Part B Para. 2(+)</p> | <p>5. (a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class <u>of Shares</u> (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Law<u>Act</u>, be varied or abrogated either with the consent in writing of the holders of not less than $\frac{3}{4}$ in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than 2 persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or representing by proxy <u>holding not less than one-third in nominal value of the voting rights of the Shareholders issued Shares</u> of that class, that the quorum for any meeting adjourned for want of quorum shall be 2 Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.</p> | <p>How rights of shares may be modified</p> |
| <p>App.3 Para.9</p> | <p>6. The authorised share capital of the Company on the date of the adoption of these Articles is HK\$7,800,000 divided into 780,000,000 Shares of HK\$0.01 each.</p> | <p>Authorised Share Capital</p> |
| <p>App.3 Para. 6(+)</p> | <p>8. Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies Law<u>Act</u> and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.</p> | <p>On what conditions new shares may be issued</p> |

- App.3
Para. 6(1)
10. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be treated as if it formed part of the original capital of the Company and such Shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.
15. (b)—(i) Subject to the provisions of the Companies ~~Law~~Act and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any Shares or attaching to any class of Shares, Shares may be issued on the terms that they may, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
- App.3
Para. 8(1)
8(2)
- ~~(ii) Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all Shareholders alike.~~
- App.13
Part B
Para. 3(2)
17. (b) Subject to the provisions of the Companies ~~Law~~Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its principal or a branch register of Shareholders in Hong Kong.
- App.13
Part B
Para. 3(2)20
- (c) During the Relevant Period (except when the Register is closed in accordance with these Articles), the Register shall be open to inspection and, any –Shareholder may inspect during business hours any Register maintained in Hong Kong without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Companies Ordinance, but the Company may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance.
- New shares to form part of original capital
- Local or branch register

App.13
Part B
Para:
3(2)

(d) The Register may, after notice has been given in accordance with the requirements of the Listing Rules or by advertisement in a newspaper circulating generally in Hong Kong and in accordance with the requirements of any stock exchange on which the securities of the Company is listed, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine. The period of thirty (30) days may be extended in respect of any year if approved by the Shareholders by Ordinary Resolution provided that such period shall not be extended beyond sixty (60) days (or such other period as may be prescribed under any applicable law) in any year.

App.3
Para:
2(1)

19. Every certificate for Shares, warrants or debentures or representing any other form of securities of the Company shall be issued under the Seal of the Company, which for this purpose may be a duplicate Seal.

Share certificates to be sealed

App.3
Para:
10(1);
10(2)

20. Every share certificate hereafter issued shall specify the number and class of Shares in respect of which it is issued and the amount paid thereon and may otherwise be in such form as the Board may from time to time prescribe. A share certificate shall relate to only one class of Shares, and where the capital of the Company includes Shares with different voting rights, the designation of each class of Shares, other than those which carry the general right to vote at general meetings, must include the words “restricted voting” or “limited voting” or “non-voting” or some other appropriate designation which is commensurate with the rights attaching to the relevant class of Shares.

Share certificate to specify number and class of shares

App.3
Para:
1(3)

21. (a) The Company shall not be bound to register more than 4 persons as joint holders of any Share.

Joint holders

- App:3
Para:
1(2)
23. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of that Share; and the Company shall also have a first and paramount lien and charge on all Shares (other than fully paid-up Shares) standing registered in the name of a Shareholder, whether singly or jointly with any other person or persons, for all the debts and liabilities of such Shareholder or his estate to the Company and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Shareholder, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder of the Company or not. The Company's lien (if any) on a Share shall extend to all Dividends and bonuses declared in respect thereof. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any Share to be exempt wholly or partially from the provisions of this Article.
- App:3
Para:
1(1)
38. The Board may, if it thinks fit, receive from any Shareholder willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any Shares held by him, and in respect of all or any of the moneys so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide but a payment in advance of a call shall not entitle the Shareholder to receive any Dividend or to exercise any other rights or privileges as a Shareholder in respect of the Share or the due portion of the Shares upon which payment has been advanced by such Shareholder before it is called up. The Board may at any time repay the amount so advanced upon giving to such Shareholder not less than one Month's notice in writing of its intention on that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the Shares in respect of which it was advanced.
- App:3
Para:
1(1)
40. The instrument of transfer of any Share shall be executed by or on behalf of the transferor and by or on behalf of the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferor or the transferee or accept mechanically executed transfers in any case in which it in its absolute discretion thinks fit to do so. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any Share by the allottee in favour of some other person.
- Company's lien
- Execution of transfer

App. 3
Para.
1(2)

42. Fully paid Shares shall be free from any restriction with respect to the right of the holder thereof to transfer such Shares (except when permitted by the HK Stock Exchange) and shall also be free from all liens. The Board however, may, in its absolute discretion, refuse to register a transfer of any Share which is not fully paid to a person of whom it does not approve or any Share issued under any share option scheme upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register a transfer of any Share (whether fully paid up or not) to more than 4 joint holders or a transfer of any Shares (not being a fully paid up Share) on which the Company has a lien.

Directors
may refuse
to register a
transfer

43. The Board may also decline to recognise any instrument of transfer unless:-

App. 3
Para. 1
(1)

- (a) a fee of such maximum as the HK Stock Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) has been paid to the Company;
- (b) the instrument of transfer is lodged at the relevant Registration Office or, as the case may be, the Transfer Office accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
- (c) the instrument of transfer is in respect of only one class of Share;
- (d) the Shares concerned are free of any lien in favour of the Company; and
- (e) if applicable, the instrument of transfer is properly stamped.

Requirement as
to transfer

44. The Board may refuse to ~~Register~~ register a transfer of any Share to an infant or to a person of unsound mind or under other legal disability.

No transfer to
an infant

App.13
Part B
Para.
3(3);
~~4(2)~~14(1)

62. ~~At all times during the Relevant Period other than the year of the Company's adoption of these Articles, the Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it; and not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of the Company and that of the next. An annual general meeting of the Company shall be held in each financial year and such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the rules and regulations of the HK Stock Exchange, if any) in addition to any other meeting in that year and the Company shall specify the meeting as such in the notice calling it.~~ The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

When annual
general meeting
to be held

64. The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per share basis in the share capital of the Company and the foregoing Shareholders shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 Months after the deposit of such requisition. If within 21 clear days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Convening of
extraordinary
general meeting

App.3
Para.
14(5)

App.13
Part-B
Para.
14(2)3(+)

65. An annual general meeting ~~and an extraordinary general meeting called for the passing of a Special Resolution~~ shall be called by at least 21 clear days' notice in writing, and ~~a meeting of the Company all other than an annual general meetings or (including an extraordinary general meeting)~~ for the ~~passing of a Special Resolution~~ shall be called by at least 14 clear days' notice in writing, unless it can be demonstrated that reasonable written notice can be given in less time or if permitted by the Listing Rules, a general meeting may be called by shorter notice. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called, subject to the Companies Act and the Listing Rules, if it is so agreed:

Notice of meetings

- (a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95% ~~in nominal value of the Shares giving that right~~ of the total voting rights at the meeting of all members of the Company.

App.13
Part-B
Para.
2(3)

72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded or otherwise required under the Listing Rules. A poll may be demanded by:

Show of hands and demand for poll

- (c) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights, on a one vote per share basis, of all the Shareholders having the right to vote at the meeting; or

76. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place (where no poll is demanded) or at which the poll is required or demanded, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote, the Chairman shall determine the same, and such determination shall be final and conclusive. Where the Company has knowledge that any Shareholder is, under the rules and regulations of the HK Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Chairman to
have casting
vote

App.3
Para.
6(t)

79. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of Shares, at any general meeting on a show of hands every Shareholder who is present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy, shall (save as provided otherwise in this Article) have one (1) vote, and on a poll every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy, shall have one vote for every Share ~~of which he is the holder which is fully paid or credited as fully paid (but so that no amount paid or credited as paid on a Share in advance of calls or instalments shall be treated for the purposes of this Article as paid on the Share)~~ registered in his name in the Register. On a poll a Shareholder entitled to more than one vote need not use all his votes or cast all his votes in the same way. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Shareholder which is a Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands and on a poll, each such proxy is under no obligation to cast all his votes in the same way.

Votes of
shareholders

App.3
Para.
14(3)

79A. Every Shareholder shall have the right to (a) speak at a general meeting and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

App.3
Para.
14(4)

~~79A~~79B. Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Votes in
respect of
deceased and
bankrupt
shareholders

83. Save as expressly provided in these Articles or otherwise determined by the Board, no person other than a Shareholder duly registered ~~and who shall have paid everything for the time being due from him payable to the Company in respect of his Shares~~ shall be entitled to be present or to vote (save as proxy or authorised representative for another Shareholder) whether personally, by proxy or by attorney or to be reckoned in the quorum, at any general meeting. Qualification for voting
- App.13
Part B
Para.
2(2)
18, 19 85. Any Shareholder entitled to attend, speak and vote at a meeting of the Company Proxies
(including without limitation a Clearing House, where it is a Shareholder) shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Shareholder who is the holder of 2 or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Shareholder of the Company. Every Shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the Company and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under a duly authorised officer. On a poll or a show of hands votes may be given either personally (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy shall be entitled to exercise the same powers on behalf of a Shareholder who is an individual and for whom he acts as proxy as such Shareholder could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Shareholder which is a corporation and for which he acts as proxy as such Shareholder could exercise if it were an individual Shareholder.
- App.3
Para.
11(2) 87. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. Instrument appointing proxy to be in writing
- App.3
Para.
11(1) 89. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a Shareholder for use by him for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the Shareholder, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business. Form of proxy

App.3
Para.18

92. (a) Any corporation which is a Shareholder may, by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Shareholders of the Company, and the person so authorised shall be entitled to exercise the same rights and powers (including without limitation the power to attend, speak and vote at any meeting) on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the Company. References in these Articles to a Shareholder present in person at a meeting shall, unless the context otherwise requires, include a corporation which is a Shareholder represented at the meeting by such duly authorised representative.

Appointment
of multiple
corporate
representatives

App.13
Part B
Para. 6

(b) ~~Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Shareholders provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, including the right to vote individually on a show of hands.~~

App.3
Para.19

If a Clearing House (or its nominee(s)), being a corporation, is a Shareholder of the Company, it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any meeting of any class of Shareholders or at any meeting of creditors (as the case may be) provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised (for Shareholders' meetings) or the amount of indebtedness in respect of which each such representative is so authorised (for creditors' meetings). Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the creditor of the Company or the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) (as the case may be) including, the right to speak and vote and where a show of hands is allowed, the right to vote individually on a show of hands.

- App:13
Part-B
Para:
5(4)
104. (a) Payments to any Director or past director of the Company of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the director of the Company or past director is contractually or statutorily entitled) must be approved by the Company in general meeting.
- Payments for compensation for loss of office
- App:13
Part-B
Para:
5(2)
- (b) ~~Except as would, if the Company were a company incorporated in Hong Kong, be permitted by Section 157H of the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies Law, the Company shall not directly or indirectly:~~
- (i) ~~make a loan to a Director or a director of any Holding Company of the Company or any of their respective Associates;~~
- (ii) ~~enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any Holding Company of the Company or any of their respective Associates; or~~
- (iii) ~~if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.~~
- The Company shall not make any loan, directly or indirectly, to a Director or his Close Associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.
- Loans to Directors

App:13
Part-B
Para:
5(3)

107. (a) (i) No Director or intended Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the Board at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may subsequently be made by the Company.

Directors'
interests

App:3
Para:
4(1)
App:3
Note 1

(c) ~~A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his Associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-~~A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his Close associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

(i) the giving of any security or indemnity either:

(a) to the Director or his Close Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Close Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Close Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub- underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Close Associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates ~~both~~ to the Directors, his Close Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his Close Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his Close Associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

App.3
Para.
4(2)

112. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the next first annual general meeting of the Company after his appointment and be subject to re- election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next ~~following~~ first annual general meeting of the Company and shall then be eligible for re-election.

Notice of
proposed
Director
to be given

App.3
Para:
~~4(4)~~
4(5)

113. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

App.3
Para.
4(3)
App.13
Part B
Para:
5(1)

114. The ~~Company~~ Shareholders may by Ordinary Resolution passed at at general meeting remove any Director (including a Managing Director or other Executive Director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any person so elected shall hold office only until the next general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

Power to
remove
Director by
Ordinary
Resolution

142. (a) ~~A~~ Unless otherwise required by the Listing Rules, a resolution in writing signed by all the Directors (or their respective alternate Directors) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.

Directors'
resolutions

- App. 3
Para:
2(1)
147. (a) Subject to the Companies Law Act, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.
- Custody of Seal
- App. 3
Para:
3(2)
168. All Dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for one year after having been declared by the Company until claimed and, notwithstanding any entry in any books of the Company may be invested or otherwise made use of by the Board for the benefit of the Company or otherwise howsoever, and the Company shall not be constituted a trustee in respect thereof. All Dividends, bonuses or other distributions or the proceeds of the realisation of any of the foregoing unclaimed for 6 years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company and, in the case where any of the same are securities of the Company, may be re-allotted or re-issued for such consideration as the Board thinks fit and the proceeds thereof shall accrue to the benefit of the Company absolutely.
- Unclaimed Dividend
- App. 13
Part B
Para:
4(1)
172. The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies Law Act necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.
- Accounts to be kept
- App. 13
Part B
Para:
3(3)
175. (a) The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting profit and loss accounts and balance sheets of the Company and such other reports and documents as may be required by law and the Listing Rules. The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards, or such other standards as may be permitted by the HK Stock Exchange.
- Annual profit and loss account and balance sheet

App:3
Para:5

App:13
Part-B
Para:
3(3);
4(2)

(b) Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by 2 of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent by post together with the notice of annual general meeting to every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.

Annual report
of Directors and
balance sheet
to be sent to
shareholders

- App. 3 Para. 17
176. (a) ~~The Company shall at~~ At each ~~the~~ annual general meeting or at a subsequent extraordinary general meeting, the Shareholders shall by ordinary resolution appoint one or more firms of auditors to hold office until the conclusion of the next annual ~~general meeting on such terms and with such duties as may be agreed with the Board,~~ but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. Such Auditor may be a Shareholder but no ~~A~~ Director, officer or employee of any such Director, officer or employee ~~the Company shall not~~ during his continuance in office be appointed as Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. ~~The~~ remuneration of the Auditors shall by Ordinary Resolution be fixed by or on the authority of the Company in the annual general meeting except that in any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required or by the Shareholders failed to appoint or re-appoint the Auditor, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. Subject to Article 176(a), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Shareholders under Article 176(a) at such remuneration to be determined by the Shareholders under Article 176(a).
- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special~~ Ordinary Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.

App-13
Part-B
Para:
4(2)

177. The Auditors of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information as may be necessary for the performance of his or their duties, and the Auditors shall audit every balance sheet and profit and loss account of the Company in each year and prepare an Auditors’ report thereon to be annexed thereto. Such report shall be laid before the Company in the annual general meeting.

Auditors to have right of access to books and accounts

App-3
Para:
7(1);
7(2)

180. (A) (i) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies Law Act and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.

Service of notices

App-3
Para:
7(3)

181. (a) Any Shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address of the Shareholder is outside the Relevant Territory, notice, if given through the post, shall be sent by prepaid airmail letter where available.

Shareholders out of the Relevant Territory

App 3 Para. 21

188. Subject to the Companies Law Act, the Company may at any time and from time to time be wound up voluntarily by a Special Resolution passed at a general meeting. ~~a resolution that the Company be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution.~~

Modes of winding up

191. The Directors, Managing Directors, alternate Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own fraud, ~~dishonest~~dishonesty, or recklessness. The Company may take out and pay the premium and other moneys for the maintenance of insurance, bonds and other instruments for the benefit either of the Company or the Directors (and/or other officers) or any of them to indemnify the Company and/or Directors (and/or other officers) named therein for this purpose against any loss, damage, liability and claim which they may suffer or sustain in connection with any breach by the Directors (and/or other officers) or any of them of their duties to the Company.

Indemnity

FINANCIAL YEAR

191A. Unless otherwise determined by the Directors from time to time, the financial year end of the Company shall be 31st day of December in each year.

App:3
Para:
13(1)

192. The Company may exercise the power to cease sending cheques for Dividend entitlements or Dividend warrants by post if such cheques or warrants remain uncashed on 2 consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

Company ceases sending dividend warrants etc.

App:3
Para:
13(2)(a)
13(2)(b)

193. (a) The Company shall have the power to sell, in such manner as the Board thinks fit, any Shares of a Shareholder who is untraceable, but no such sale shall be made unless:

Company may sell shares of untraceable shareholders

NOTICE OF ANNUAL GENERAL MEETING

CHINA ALUMINUM CANS HOLDINGS LIMITED 中國鋁罐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6898)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of China Aluminum Cans Holdings Limited 中國鋁罐控股有限公司 (the “Company”) will be held at Room Diamond, Level 22, Nexxus Building, 41 Connaught Road Central, Hong Kong on Friday, 19 May 2023 at 2:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries together with the directors’ report and the independent auditor’s report for the financial year ended 31 December 2022.
2. To declare a final dividend of HK0.38 cent per ordinary share of the Company in respect of the financial year ended 31 December 2022.
3. (A) (i) To re-elect Mr. Dong Jiangxiong as an executive director of the Company; and
(ii) To re-elect Mr. Yip Wai Man Raymond as an independent non-executive director of the Company;
(B) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.
4. To re-appoint the Company’s auditor and to authorise the board of directors to fix the remuneration of the auditor.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, pass with or without modifications, the following resolution as ordinary resolution of the Company:

“**THAT**

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal with any unissued shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the shares in the capital of the Company to be issued either during or after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors, officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of the Company in force from time to time; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total amount of the shares of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this resolution.

“**Rights Issue**” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirement of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without modifications, the following resolution as ordinary resolution of the Company:

“**THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total amount of the shares of the Company in issue at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly;
- (c) subject to the passing of each of the paragraph (a) and (b) of this resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this resolution which has been granted to the Directors of the Company and which are still in effect be and are hereby revoked; and
- (d) for the purposes of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of the Company or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this resolution.”

7. To consider and, if thought fit, pass with or without modifications, the following resolution as ordinary resolution of the Company:

“**THAT** conditional upon the ordinary resolutions set out in paragraph 5 and 6 of the notice convening this meeting being passed, the general mandate granted to the Directors of the Company to allot, issue and deal in any unissued shares pursuant to the ordinary resolution set out in paragraph 5 of the notice convening this meeting be and is hereby **extended** by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the

NOTICE OF ANNUAL GENERAL MEETING

authority granted pursuant to the ordinary resolution set out in paragraph 6 of the notice convening this meeting, provided that such extended amount shall not exceed 10% of the total amount of the shares of the Company in issue at the date of the passing of this resolution.”

8. To consider and, if thought fit, pass with or without modifications, the following resolution as ordinary resolution of the Company:

“**THAT** with effect from the close of business of the day on which this resolution is passed, the existing share option scheme (the “**Existing Scheme**”) adopted by the Company pursuant to a resolution passed by the then sole shareholder of the Company on 20 June 2013 (a copy of the Existing Scheme is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and it is hereby terminated and shall cease to have with any further effect save and except that the Existing Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof.”

9. To consider and, if thought fit, pass with or without modifications, the following resolution as ordinary resolution of the Company:

“**THAT** subject to the passing of resolution numbered 8 and subject also to and conditional upon the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the share option scheme of the Company (the rules of which are contained in the document marked “B” produced to the AGM and signed by the chairman of the AGM for the purpose of identification) (“**New Scheme**”), the New Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme including without limitation:

- (a) to administer the New Scheme under which options will be granted to eligible participants under the New Scheme to subscribe for Shares;
- (b) to modify and/or amend the New Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Scheme relating to modification and/or amendment;
- (c) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the New Scheme and subject to the Listing Rules;
- (d) to make application at the appropriate time or times to the Stock Exchange; and any stock exchanges upon which the issued Shares may for the time being, be listed, for listing of, and permission to deal in any Shares which may thereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (e) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Scheme.”
10. To consider and, if thought fit, pass with or without modifications, the following resolution as ordinary resolution of the Company:

“**THAT** the Service Provider Sublimit (as defined in the New Scheme) on the total number of Shares that may be issued in respect of all option sand awards to be granted to service providers under all the share schemes of the Company be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or underseal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

SPECIAL RESOLUTION

11. To consider and, if thought fit, pass with or without modifications, the following resolution as special resolution of the Company:

“**THAT** the amended and restated memorandum of association and articles of association of the Company (incorporating the proposed amendments to the existing memorandum of association and articles of association of the Company, the details of which are set out in Appendix IV to the circular of the Company dated 24 April 2023) (“**Amended and Restated Memorandum and Articles of Association**”), a copy of which has been produced to this meeting and marked “C” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the memorandum of association and articles of association of the Company respectively in substitution for, and to the exclusion of, the existing memorandum of association and articles of association of the Company with immediate effect after the close of this meeting, and any Director or company secretary of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he shall, in his absolute discretion, deem necessary or expedient to implement the adoption of the Amended and Restated Memorandum and Articles of Association.”

By Order of the Board of
China Aluminum Cans Holdings Limited
中國鋁罐控股有限公司
Lin Wan Tsang
Chairman and executive Director

Hong Kong, 24 April 2023

As at the date of this notice, the executive Directors are Mr. Lin Wan Tsang and Mr. Dong Jiangxiong; and the independent non-executive Directors are Dr. Lin Tat Pang, Ms. Guo Yang and Mr. Yip Wai Man Raymond.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder.
2. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or the adjourned meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorized.
4. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holder stand on the register in respect of the relevant joint holding.
6. The form of proxy must be signed by the appointor or by his attorney authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorized to sign the same.
7. For the purposes of determining the eligibility of the Company's Shareholders to attend and vote at the above meeting, and entitlement to the proposed final dividend for the year ended 31 December, 2022 (the "**Final Dividend**"), the Company's register of members (the "**Register of Members**") will be closed. Details of such closures are set out below:

- (i) For determining eligibility to attend and vote at the above meeting:

| | |
|--------------------------------|--|
| Latest time to lodge transfers | 4:30 p.m. on Friday, 12 May 2023 |
| Closure of Register of Members | Monday, 15 May 2023 to Friday, 19 May 2023 (both dates inclusive) |
| Record date | Friday, 19 May 2023 |

- (ii) For determining entitlement to the Final Dividend:

| | |
|--------------------------------|--|
| Latest time to lodge transfers | 4:30 p.m. on Monday, 29 May 2023 |
| Closure of Register of Members | Tuesday, 30 May 2023 to Thursday, 1 June 2023 (both days inclusive) |
| Record date | Thursday, 1 June 2023 |

During the above closure periods, no transfer of shares of the Company will be registered. To be eligible to attend and vote at the above meeting, and to qualify for entitlement to the Final Dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the aforementioned latest time.